

By: Callegari

H.B. No. 13

A BILL TO BE ENTITLED

AN ACT

relating to the State Pension Review Board and public retirement systems; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 801, Government Code, is amended by adding Sections 801.209, 801.210, and 801.211 to read as follows:

Sec. 801.209. PUBLIC RETIREMENT SYSTEM REPORTS AND INFORMATION. (a) For each public retirement system, the board shall post on the board's Internet website, or on a publicly available website that is linked to the board's website:

(1) the most recent data from each annual financial report received by the board;

(2) the most recent data from each report on investment returns and assumptions received by the board; and

(3) the name, business address, and business telephone number of the administrator of the public retirement system.

(b) On the 60th day after the date a report or information required by this chapter or Chapter 802 is due to the board, the board shall post on the board's website a list of public retirement systems that have not submitted the required reports or information.

(c) For each retirement system included on the list posted under Subsection (b), the board shall notify:

1           (1) the governor and the Legislative Budget Board  
2 regarding the lack of a timely submission by the Employees  
3 Retirement System of Texas, the Teacher Retirement System of Texas,  
4 the Texas County and District Retirement System, the Texas  
5 Municipal Retirement System, or the Judicial Retirement System of  
6 Texas Plan Two; or

7           (2) the governing body of the political subdivision of  
8 which members of the public retirement system are officers or  
9 employees regarding the lack of a timely submission by a public  
10 retirement system other than a system listed in Subdivision (1).

11           Sec. 801.210. MODEL ETHICAL STANDARDS AND  
12 CONFLICT-OF-INTEREST POLICIES. (a) The board shall develop and  
13 make reasonably accessible on the board's Internet website model  
14 ethical standards and model conflict-of-interest policies,  
15 including disclosure requirements, for voluntary use by a public  
16 retirement system.

17           (b) A public retirement system is not required to adopt a  
18 standard or policy based on the model developed under this section.

19           Sec. 801.211. PUBLIC RETIREMENT SYSTEM EDUCATIONAL  
20 TRAINING PROGRAM. (a) The board shall develop and administer an  
21 educational training program for trustees and administrators of  
22 public retirement systems.

23           (b) The curriculum of the educational training program must  
24 include minimum training requirements for board members and  
25 administrators. The board shall develop a system to track  
26 compliance with the minimum training requirements by board members  
27 and administrators and shall report the level of compliance in the

1 biennial report required by Section 801.203.

2 (c) The curriculum of the educational training program  
3 under this section may include optional training classes for  
4 trustees, administrators, and employees of public retirement  
5 systems.

6 (d) To the extent practicable, the board shall make training  
7 classes reasonably accessible to trustees and administrators of  
8 public retirement systems on an Internet website maintained for  
9 that purpose.

10 (e) The board may adopt rules and appropriate fees to  
11 administer and provide educational training programs under this  
12 section. The net proceeds of the fees shall be deposited in the  
13 State Pension Review Board fund.

14 SECTION 2. The heading to Section 802.107, Government Code,  
15 is amended to read as follows:

16 Sec. 802.107. GENERAL PROVISIONS RELATING TO REPORTS AND  
17 CONTACT INFORMATION.

18 SECTION 3. Section 802.107, Government Code, is amended by  
19 adding Subsections (c), (d), and (e) to read as follows:

20 (c) A public retirement system shall post on a publicly  
21 available Internet website:

22 (1) the name, business address, and business telephone  
23 number of the administrator of the public retirement system; and

24 (2) a copy of the most recent edition of each report  
25 and other information that is required by this chapter or Chapter  
26 801 to be submitted to the board.

27 (d) A public retirement system that maintains a website or

1 for which a website is maintained shall prominently post a link on  
2 that website to the information required by Subsection (c). All  
3 other public retirement systems shall:

4 (1) prominently post the information required by  
5 Subsection (c) on a website that is maintained by the governing body  
6 of the political subdivision of which members of the public  
7 retirement system are officers or employees; or

8 (2) post the information required by Subsection (c) on  
9 a publicly available website that is maintained by a state agency.

10 (e) A report or other information posted under Subsection  
11 (c) must remain posted until replaced with a more recently  
12 submitted edition of the report or information.

13 SECTION 4. Subchapter B, Chapter 802, Government Code, is  
14 amended by adding Section 802.108 to read as follows:

15 Sec. 802.108. REPORT OF INVESTMENT RETURNS AND ASSUMPTIONS.

16 A public retirement system shall, before the 211th day after the  
17 last day of the fiscal year under which the system operates, submit  
18 to the board an investment returns and assumptions report that  
19 includes:

20 (1) net investment returns for each of the most recent  
21 10 fiscal years;

22 (2) the rolling net rate of return for the most recent  
23 1-year, 3-year, 10-year, and 30-year periods;

24 (3) the net rate of return since inception of the  
25 system;

26 (4) the current assumed rate of return; and

27 (5) the assumed rates of return for the most recent 10

1 fiscal years.

2 SECTION 5. (a) In this section:

3 (1) "Governing body of a public retirement system" and  
4 "public retirement system" have the meanings assigned by Section  
5 802.001, Government Code.

6 (2) "Pension review board" means the State Pension  
7 Review Board established under Chapter 801, Government Code.

8 (b) The pension review board shall conduct a study of the  
9 financial health of public retirement systems in this state,  
10 including each system's ability to meet its long-term obligations  
11 considering the contributions, benefits, and investments made  
12 under the system.

13 (c) Each public retirement system, including the governing  
14 bodies, officers, and employees of each retirement system, shall  
15 fully cooperate with the pension review board in conducting the  
16 study required under Subsection (b) of this section and timely  
17 respond to any request for information made by the board for the  
18 purpose of performing the study.

19 (d) Not later than September 1, 2014, the pension review  
20 board shall submit to the legislature a written report containing  
21 the findings of the study conducted under this section and the  
22 board's recommendations, including the board's recommendations  
23 regarding how each public retirement system may mitigate any risk  
24 of not meeting the system's long-term obligations.

25 SECTION 6. (a) The State Pension Review Board shall develop  
26 and publish the model ethical standards and conflict-of-interest  
27 policies required by Section 801.210, Government Code, as added by

1 this Act, as soon as practicable after the effective date of this  
2 Act, but not later than December 31, 2013.

3 (b) The State Pension Review Board shall adopt rules to  
4 implement the educational training program required by Section  
5 801.211, Government Code, as added by this Act, as soon as  
6 practicable after the effective date of this Act, but not later than  
7 necessary to begin providing training classes on or before  
8 September 1, 2014.

9 (c) For purposes of reporting the level of compliance with  
10 the minimum training requirements of the educational training  
11 program as required by Section 801.211(b), Government Code, as  
12 added by this Act, the State Pension Review Board may only evaluate  
13 compliance with the minimum training requirements by trustees and  
14 administrators of public retirement systems on or after January 1,  
15 2015.

16 SECTION 7. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2013.